

- (1) DETERMINE THE GAIN ON THE SALE BY SUBTRACTING THE NET BOOK VALUE OF THE ASSETS FROM THE SALES PRICE LESS COSTS INCURRED FOR THE SALE. IF THE OPERATING RIGHTS TO THE NE ARE SOLD, BUT NOT THE BUILDING, THE NET BOOK VALUE OF ALL OF THE FACILITY'S BUILDING AND EQUIPMENT ASSETS SHALL BE USED TO THE GAIN. IF THE NET SALES PRICE FOR THE OPERATING RIGHTS IS LESS THAN THE NET BOOK VALUE OF THE BUILDING AND EQUIPMENT ASSETS, THE NET BOOK VALUE OF THOSE ASSETS SHALL BE REDUCED BY THE AMOUNT OF THE NET SALES PRICE AND THE NET BOOK VALUE, SO REDUCED, SHALL BE USED TO DETERMINE GAIN WHEN THE BUILDING IS SOLD; AND
- (2) BEGINNING WITH THE MOST RECENT REIMBURSEMENT PERIOD, DETERMINE EACH COMPONENT OF THE PROVIDER'S PER DIEM CAPITAL RATE AND THE TOTAL CAPITAL RATE REIMBURSED BY ODHS; AND
- (3) SUBTRACT FROM THE TOTAL CAPITAL RATE REIMBURSED AS CALCULATED UNDER PARAGRAPH (F)(2) OF THIS RULE, THE COMPONENTS OF THE RATE FOR RETURN ON EQUITY, NONEXTENSIVE RENOVATION, AND COST OF OWNERSHIP EFFICIENCY INCENTIVE. THE BALANCE IS CONSIDERED THE ALLOWABLE COST OF OWNERSHIP EXPENSE PER DIEM REIMBURSED BY ODHS; AND
- (4) SUBTRACT FROM THE BALANCE DETERMINED UNDER PARAGRAPH (F)(3) OF THIS RULE THE ALLOWABLE ACTUAL INTEREST EXPENSE, RENT AND LEASE EXPENSE, AND AMORTIZATION OF FINANCING COSTS PER DIEMS REIMBURSED BY ODHS. THE BALANCE IS CONSIDERED DEPRECIATION PAID TO THE ICF-MR BY ODHS; AND
- (5) MULTIPLY THE DEPRECIATION PAID TO THE ICF-MR BY ODHS AS DETERMINED UNDER PARAGRAPH (F)(4) OF THIS RULE BY THE NUMBER OF MEDICAID DAYS FOR THE APPLICABLE REIMBURSEMENT PERIOD; AND
- (6) SUBTRACT THE AMOUNT CALCULATED UNDER PARAGRAPH (F)(5) OF THIS RULE FROM THE REMAINING GAIN CALCULATED UNDER PARAGRAPH (F)(1) OF THIS RULE; AND

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- (7) REPEAT THE PROCEDURE UNDER PARAGRAPHS (F)(2) TO (F)(6) OF THIS RULE FOR EACH REIMBURSEMENT PERIOD UNTIL EITHER THE GAIN IS COMPLETELY OFFSET OR THE DEPRECIATION PAID TO THE ICF-MR BY ODHS HAS BEEN FULLY RECAPTURED FOR ALL REIMBURSEMENT PERIODS THE PROVIDER OPERATED ON THE MEDICAL ASSISTANCE PROGRAM AND ODHS PAID ANY AMOUNT SPECIFICALLY FOR COST OF OWNERSHIP.
- (8) MULTIPLY THE DEPRECIATION PAID TO THE ICF-MR CALCULATED UNDER PARAGRAPH (F)(7) OF THIS RULE BY THE APPLICABLE PERCENTAGE DETERMINED BELOW:
- (a) ONE HUNDRED PER CENT IF A SALE OF AN ICF-MR OCCURRED PRIOR TO THE BEGINNING OF THE SIXTH YEAR OF PARTICIPATION IN THE MEDICAL ASSISTANCE PROGRAM.
 - (b) EIGHTY PER CENT IF A SALE OF AN ICF-MR OCCURRED PRIOR TO THE BEGINNING OF THE SEVENTH YEAR OF PARTICIPATION IN THE MEDICAL ASSISTANCE PROGRAM.
 - (c) SIXTY PER CENT IF A SALE OF AN ICF-MR OCCURRED PRIOR TO THE BEGINNING OF THE EIGHTH YEAR OF PARTICIPATION IN THE MEDICAL ASSISTANCE PROGRAM.
 - (d) FORTY PER CENT IF A SALE OF AN ICF-MR OCCURRED PRIOR TO THE BEGINNING OF THE NINTH YEAR OF PARTICIPATION IN THE MEDICAL ASSISTANCE PROGRAM.
 - (e) TWENTY PER CENT IF A SALE OF AN ICF-MR OCCURRED PRIOR TO THE BEGINNING OF THE TENTH YEAR OF PARTICIPATION IN THE MEDICAL ASSISTANCE PROGRAM.

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- (G) UPON A SALE OF AN ICF-MR, THE ALLOWABLE CAPITAL ASSET COST BASIS, DEPRECIATION EXPENSE, AND INTEREST EXPENSE FOR THE NEW ICF-MR PROVIDER (BUYER) SHALL BE THE NEW ICF-MR PROVIDER'S (BUYER'S) ACTUAL DEPRECIATION AND INTEREST EXPENSE SUBJECT TO THE CEILINGS SET FORTH UNDER 5101:3-3-842 OF THE ADMINISTRATIVE CODE. IF THE OPERATING RIGHTS ARE SEPARATELY IDENTIFIED AND VALUED IN A SALE THAT INCLUDES BOTH THE BUILDING AND THE OPERATING RIGHTS, THE OPERATING RIGHTS SHALL BE CONSIDERED TO BE A PART OF THE BUILDING FOR PURPOSES OF DETERMINING THE ALLOWABLE CAPITAL ASSET COST BASIS UNDER THIS PARAGRAPH. IF A NEW ICF-MR PROVIDER (BUYER) PURCHASES ONLY THE OPERATING RIGHTS TO THE ICF-MR AND USES THE OPERATING RIGHTS TO CREATE A NEW ICF-MR OR ADD BEDS TO AN EXISTING ICF-MR, THE PURCHASE PRICE OF THE OPERATING RIGHTS SHALL BE ADDED TO THE CAPITAL ASSET COST BASIS OF THE NEW ICF-MR BUILDING OR THE ADDITIONAL BEDS.
- (1) UPON THE SALE OF AN ICF-MR, THE INITIAL ACCUMULATED DEPRECIATION FOR THE NEW ICF-MR PROVIDER (BUYER) SHALL BE RECALCULATED STARTING AT ZERO; AND
- (2) REPORT DOUBLE ACCUMULATED DEPRECIATION IN AN AMOUNT EQUAL TO TWICE THE DEPRECIATION EXPENSE INCURRED ON ITS COST REPORT FOR THE FIRST YEAR OF OPERATION IF THE PROVIDER APPLIES FOR A RATE ADJUSTMENT.
- (H) AN ICF-MR THAT CHANGES MEDICAID PROVIDER AGREEMENTS OR VOLUNTARILY TERMINATES ITS MEDICAID PROVIDER AGREEMENT SHALL REFUND ANY AMOUNT ODHS PROPERLY FINDS TO BE DUE.
- (I) WHEN A CHANGE IN MEDICAID PROVIDER AGREEMENT OR VOLUNTARY TERMINATION OF THE MEDICAID PROVIDER AGREEMENT OCCURS, ODHS SHALL COMPLY WITH THE FOLLOWING:
- (1) ODHS MAY IMPOSE A PENALTY OF NO MORE THAN TWO PER CENT OF THE LAST TWO MONTHLY VENDOR PAYMENTS IF AN ICF-MR FAILS TO PROVIDE NOTICE OF A CHANGE IN MEDICAID PROVIDER AGREEMENT OR VOLUNTARY TERMINATION OF THE MEDICAID PROVIDER AGREEMENT AS REQUIRED BY PARAGRAPH (C) OF THIS RULE; AND

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- (2) UNLESS THE REQUIREMENT FOR FILING A FINAL COST REPORT HAS BEEN WAIVED, ODHS SHALL, WITHIN NINETY DAYS FOLLOWING THE FILING OF THE FINAL COST REPORT, AUDIT THE FINAL COST REPORT AND ISSUE AN AUDIT REPORT TO THE ICF-MR. ODHS MAY ALSO AUDIT ANY OTHER COST REPORT THAT THE ICF-MR HAS FILED DURING THE PREVIOUS THREE YEARS. ODHS SHALL STATE ITS FINDINGS IN THE AUDIT REPORT AND THE AMOUNT OF ANY MONEY OWED INCLUDING ANY AMOUNT DUE UNDER PARAGRAPH (F) OF THIS RULE TO ODHS BY THE ICF-MR; AND
- (3) ODHS SHALL RELEASE ANY MONEY HELD IN ESCROW TO THE ICF-MR IF ODHS DOES NOT ISSUE ITS AUDIT REPORT WITHIN THE NINETY-DAY PERIOD; AND
- (4) ODHS SHALL ISSUE THE FINDINGS OF THE AUDIT REPORT SUBJECT TO ADJUDICATION CONDUCTED IN ACCORDANCE WITH CHAPTER 119. OF THE REVISED CODE. NO LATER THAN FIFTEEN DAYS AFTER THE ICF-MR AGREES TO A SETTLEMENT, ANY FUNDS HELD IN ESCROW LESS ANY AMOUNTS DUE TO ODHS SHALL BE RELEASED TO THE ICF-MR AND AMOUNTS DUE TO ODHS SHALL BE PAID TO ODHS. IF THE AMOUNTS IN ESCROW ARE LESS THAN THE AMOUNTS DUE TO ODHS, THE BALANCE SHALL BE PAID TO ODHS WITHIN FIFTEEN DAYS AFTER THE ICF-MR AGREES TO A SETTLEMENT. IF THE AUDIT REPORT IS ISSUED WITHIN NINETY DAYS, ODHS SHALL RETAIN THE ESCROWED FUNDS UNTIL THE SETTLEMENT IS ADJUDICATED.

REPLACES RULE 5101:3-3-28

EFFECTIVE DATE: _____

CERTIFICATION: _____

DATE

PROMULGATED UNDER: RC CHAPTER 119.

STATUTORY AUTHORITY: RC SECTION 5111.02

RULE AMPLIFIES: RC SECTIONS 5111.01, 5111.02, 5111.25

PRIOR EFFECTIVE DATES: 7/1/80, 9/30/93 (EMER.), 12/30/93 (EMER.)

TNS: 9407 APPROVAL DATE JUN 25
SUPERSEDES
TNS # 94-04 EFFECTIVE DATE 10/1/94

INSTRUCTIONS FOR COMPLETING ODPW 2524, SCHEDULE C-1

This schedule must be completed for any person(s) claiming reimbursement as an administrator or assistant administrator. This includes an owner or owners serving as the administrator or claiming reimbursement for a management, financial advisory function, or consulting function which would be considered within the duties of an administrator or assistant administrator.

Identifying Information—Complete the top two lines with the appropriate information.

Item 1—Work Experience—The years of work experience in a related work area (i.e., work which would be considered as training for the present duties performed) up to a maximum of 10 years will be used in computing the years of experience. If the years are in the administrative area, they must have been performed in the health care field with the following stipulations:

- a. Any year(s) of service rendered prior to 8/30/73 in the capacity of administrator of a licensed nursing home in Ohio will be allowed.
- b. Any work experience claimed as an administrator of a licensed nursing home in Ohio for services rendered after 8/30/73 must have been performed while certified by the Board of Nursing Home Administrators.
- c. All other administrative experience which is claimed:
 - (1) Will be fully allowed up to 10 years if in the health care field and certified by the appropriate authority, if one existed. This includes experience in another state.
 - (2) Will be allowed in a ratio of three to one up to a maximum of four equivalent years of work experience if in another field in a managerial position.

Item 2—Educational Experience—The years of formal education above a high school diploma up to a maximum of six years will be used in computing the educational points. In computing the number of allowable years, use the following criteria:

- a. For purposes of computation, 45 completed quarter hours equal one year. If your formal credit hours are semester hours multiply by 1.5. (Note: One-half year or over of education will be considered a fully completed year.)
- b. For purposes of computation, if the individual has continuing education (seminar hours), then he should equate these seminar hours to quarter hours by dividing the total seminar hours by 10. This result should then be added to his normal credit hours to determine the years of educational experience in the manner described in part a.
- c. If the individual has 12 or more years of work experience, then in addition to the points claimed in Item 1, the individual may claim educational experience in addition to parts a or b as follows:

Work Experience	Years of Educational Experience
12 or more but 14 or less	One year
15 or more but 17 or less	Two years
18 or more	Three years

- d. Unless a bachelor's degree from an accredited college has been earned, the number of years of educational experience will not exceed four years.

Item 3—Other Duties Performed—Only those necessary duties within the facility on an ongoing basis which are pertinent to the operation and sound conduct of the facility may be claimed. The total number of duties claimed for additional reimbursement will not exceed 4.

INSTRUCTIONS FOR COMPLETING ODPW 2524, SCHEDULE C-2

All items contained within these schedules must be completed or noted N/A if not applicable. Failure to comply will result in your cost report being considered a "No Filing" and will delay processing and subsequent rate change.

Detail owner's and/or relative's compensation. Specify name of person(s) claiming compensation, relation to owner(s), duties performed, number of hours worked during the week and the corresponding percentage, schedule and line number, and amount claimed for each person listed within the cost report. The following are the relationships to be considered:

- (1) Husband and wife.
- (2) Natural parent, child and sibling.
- (3) Adopted child and adoptive parent.
- (4) Stepparent, stepchild, stepbrother, stepsister.
- (5) Father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, and sister-in-law.
- (6) Grandparent and grandchild.

The actual compensation claimed for relatives is subject to a special test of reasonableness. The compensation claimed must be for necessary services and related to patient care. Services rendered and compensation claimed must be reasonable based upon the time spent in performing the duty and the duty which is being performed.

ODPW 2524 (Rev. 12/79)
Schedule C-1

80-14

ADMINISTRATIVE AND/OR OWNERS COMPENSATIONS

Name of Facility:		Medicaid Provider No.
		Period:
Name of Individual: _____		
1. Years of work experience in related work area; if administrative must be in health care field (not to exceed ten years.) <div style="text-align: center;">_____</div> <div style="text-align: center;">years</div>		
2. Years of formal education beyond high school (not to exceed six (6) years.) <div style="text-align: center;">_____</div> <div style="text-align: center;">years</div>		
3. **Duties other than those normally performed by this position where a salary is declared (not to exceed four (4) extra duties.) <div style="display: flex; justify-content: space-between;"> <div style="width: 70%;"> a. Accounting b. Maintenance c. Housekeeping d. Other, explain e. Other, explain </div> <div style="width: 25%;"> _____ _____ _____ _____ _____ </div> </div>		
**Additional points may only be claimed if reported on Schedules C-2 and C-3 for the administrator and assistant administrator indicating the hours and percentage of time worked weekly, line number and compensation claimed.		

ODPW 2524 (Rev. 12/79)
Schedule C-2

COMPENSATION OF OWNERS AND/OR RELATIVES

[illegible]

INSTRUCTIONS FOR COMPLETING ODPW 2524, SCHEDULE C-1

This schedule must be completed for any person(s) claiming reimbursement as an administrator or assistant administrator. This includes an owner or owners serving as the administrator or claiming reimbursement for a management, financial advisory function, or consulting function which would be considered within the duties of an administrator or assistant administrator.

Identifying Information—Complete the top two lines with the appropriate information.

Item 1—Work Experience—The years of work experience in a related work area (i.e., work which would be considered as training for the present duties performed) up to a maximum of 10 years will be used in computing the years of experience. If the years are in the administrative area, they must have been performed in the health care field with the following stipulations:

- a. Any year(s) of service rendered prior to 8/30/73 in the capacity of administrator of a licensed nursing home in Ohio will be allowed.
- b. Any work experience claimed as an administrator of a licensed nursing home in Ohio for services rendered after 8/30/73 must have been performed while certified by the Board of Nursing Home Administrators.
- c. All other administrative experience which is claimed:
 - (1) Will be fully allowed up to 10 years if in the health care field and certified by the appropriate authority, if one existed. This includes experience in another state.
 - (2) Will be allowed in a ratio of three to one up to a maximum of four equivalent years of work experience if in another field in a managerial position.

Item 2—Educational Experience—The years of formal education above a high school diploma up to a maximum of six years will be used in computing the educational points. In computing the number of allowable years, use the following criteria:

- a. For purposes of computation, 45 completed quarter hours equal one year. If your formal credit hours are semester hours multiply by 1.5. (Note: One-half year or over of education will be considered a fully completed year.)
- b. For purposes of computation, if the individual has continuing education (seminar hours), then he should equate these seminar hours to quarter hours by dividing the total seminar hours by 10. This result should then be added to his normal credit hours to determine the years of educational experience in the manner described in part a.
- c. If the individual has 12 or more years of work experience, then in addition to the points claimed in item 1, the individual may claim educational experience in addition to parts a or b as follows:

Work Experience	Years of Educational Experience
12 or more but 14 or less	One year
15 or more but 17 or less	Two years
18 or more	Three years

- d. Unless a bachelor's degree from an accredited college has been earned, the number of years of educational experience will not exceed four years.

Item 3—Other Duties Performed—Only those necessary duties within the facility on an ongoing basis which are pertinent to the operation and sound conduct of the facility may be claimed. The total number of duties claimed for additional reimbursement will not exceed 4.

INSTRUCTIONS FOR COMPLETING ODPW 2524, SCHEDULE C-2

All items contained within these schedules must be completed or noted N/A if not applicable. Failure to comply will result in your cost report being considered a "No Filing" and will delay processing and subsequent rate change.

Detail owner's and/or relative's compensation. Specify name of person(s) claiming compensation, relation to owner(s), duties performed, number of hours worked during the week and the corresponding percentage, schedule and line number, and amount claimed for each person listed within the cost report. The following are the relationships to be considered:

- (1) Husband and wife.
- (2) Natural parent, child and sibling.
- (3) Adopted child and adoptive parent.
- (4) Stepparent, stepchild, stepbrother, stepsister.
- (5) Father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, and sister-in-law.
- (6) Grandparent and grandchild.

The actual compensation claimed for relatives is subject to a special test of reasonableness. The compensation claimed must be for necessary services and related to patient care. Services rendered and compensation claimed must be reasonable based upon the time spent in performing the duty and the duty which is being performed.

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ODPW 2524 (Rev. 12/79)
Schedule C-3

COMPENSATION PAID TO ADMINISTRATORS, ASSISTANT ADMINISTRATORS (other than owners)

80-16

Name of Facility:					Medicaid Provider No.		
					Period:		
Employee Name	Position	Duties Performed	Worked Weekly		Compensation		
			Hours	%	Sch. No.	Line No.	Amount

OTHER ADMINISTRATIVE SALARIES

ODPW 2524 (Rev. 12/79)
Schedule C-4

Name of Facility:			Medicaid Provider No.	
			Period:	
Description	Number of Persons	Owner	Non-Owner	Total Columns 2 and 3
	(1)	(2)	(3)	(4)
1. General Office (typing, telephone, Xeroxing, etc.)				
2. Accounting, bookkeeping				
3. Receptionist				
4.				
5.				
6.				
7.				
8.				
10. Totals				

Column 1: For salaries which are listed in columns 2 and 3, indicate the number of persons who are claiming compensation.

Column 2: Compensation claimed for owner(s) and/or relatives who have rendered necessary services must be included in column 2.

Column 3: Compensation claimed here will be for employees rendering necessary services that are not related to the owner(s).

****RELATED PARTY QUESTIONNAIRE**

Name of Facility:				Medicaid Provider No.		
				Period:		

1. Do any employees listed on Schedule C-2 receive remuneration/compensation in cash, goods or service from an entity which provides goods/services to the nursing home? ☐ yes ☐ no.

If yes complete Part A:

Part A:

Name of Person _____

Place Employed _____

Address: _____

No. hrs/wk: _____

Name of Person: _____

Place Employed: _____

Address _____

No. hrs/wk: _____

Name of Person _____

Place Employed _____

Address: _____

No. hrs/wk: _____

Name of Person: _____

Place Employed _____

Address _____

No. hrs/wk: _____

If additional space is needed please use an attachment.

2. Are any of the places named in Part A nursing homes certified for Medicaid? ☐ yes ☐ no.

If yes which? _____

3. Do you or any related member receive remuneration/compensation in cash, goods, services or any other form from an entity which provides goods/services to the nursing home? ☐ yes ☐ no. If yes complete Part B.

Part B: List costs incurred as a result of transactions with related organizations

Name of Related Organization	Name of Owner of Related Organization	Percent of Ownership of related Organization	Form No./ Sch. No./ Line No.	Item	Amount	Cost to Related Organization

****Related is defined as the existence of a family relationship between any buyer and seller of a facility for a period of at least two years prior to the transaction in question or the existence of a common ownership control between any buyer and seller for a period of at least two years prior to the transaction in question.**

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ODPW 2524 (Rev. 12/79)
Schedule C-3

COMPENSATION PAID TO ADMINISTRATORS, ASSISTANT ADMINISTRATORS (other than owners)

80-16

Name of Facility:					Medicaid Provider No.		
					Period:		
Employee Name	Position	Duties Performed	Worked Weekly		Compensation		
			Hours	%	Sch. No.	Line No.	Amount

OTHER ADMINISTRATIVE SALARIES

ODPW 2524 (Rev. 12/79)
Schedule C-4

Name of Facility:			Medicaid Provider No.	
			Period:	
Description	Number of Persons	Owner	Non-Owner	Total Columns 2 and 3
	(1)	(2)	(3)	(4)
1. General Office				
(typing, telephone, Xeroxing, etc.)				
2. Accounting, bookkeeping				
3. Receptionist				
4.				
5.				
6.				
7.				
8.				
10. Totals				

- Column 1: For salaries which are listed in columns 2 and 3, indicate the number of persons who are claiming compensation.
- Column 2: Compensation claimed for owner(s) and/or relatives who have rendered necessary services must be included in column 2.
- Column 3: Compensation claimed here will be for employees rendering necessary services that are not related to the owner(s).